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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop an
Electricity Integrated Resource Planning
Framework and to Coordinate and Refine Long-
Term Procurement Planning Requirements.

R.16-02-007
(Filed February 11, 2016)

(NOT CONSOLIDATED)

Order Instituting Rulemaking to Continue
Implementation and Administration, and
Consider Further Development of, California
Renewables Portfolio Standard Program.

Rulemaking 15-02-020
(Filed February 26, 2015)

REPLY COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON JOINT ADMINISTRATIVE LAW JUDGES' RULING SEEKING INPUT ON
REPORT AND NEXT STEPS FOR DEVELOPMENT OF RENEWABLES
INTEGRATION COST ADDER

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Dated: **June 17, 2016**

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I.

INTRODUCTION

Pursuant to Ordering Paragraph No. 2 of the Joint Administrative Law Judges' ("ALJ") Ruling Seeking Input on Report and Next Steps for Development of Renewables Integration Cost Adder ("RICA"), dated May 11, 2016 ("Joint ALJ Ruling"),¹ Southern California Edison

¹ See Joint ALJ Ruling, p. 9.

Company (“SCE”) submits these reply comments.² SCE reiterates its recommendation that the Commission form a working group to develop a new or improved RICA methodology. SCE also counters opening comments from parties who imply that development of a RICA is unnecessary given Senate Bill (“SB”) 350’s new integrated resource plan (“IRP”) process.³

II.

THE COMMISSION SHOULD FORM A WORKING GROUP TO DEVELOP A NEW OR IMPROVED RICA METHODOLOGY

SCE welcomes party feedback on the April 4, 2016 RICA Report and appreciates the diverse recommendations generated in Opening Comments. In order to foster an environment where parties can quickly generate, respond to, and accept or reject proposals, SCE reiterates its recommendation that the Commission form a working group to develop a new or improved RICA methodology.⁴ Given the level of detail and analysis that might be required to develop a new or improved RICA methodology, a collaborative and iterative process would be more effective than developing a methodology through written comments or a series of workshops.

² The following parties filed Opening Comments on June 3, 2016: Independent Energy Producers Association (“IEP”); Large-Scale Solar Association (“LSA”); Ormat Technology, Inc.; Pacific Gas and Electric Company (“PG&E”); San Diego Gas & Electric Company (“SDG&E”); Utility Consumers’ Action Network (“UCAN”); SCE; California Independent System Operator (“CAISO”); Calpine Corporation (“Calpine”); California Wind Energy Association (“CalWEA”); California Environmental Justice Alliance (“CEJA”); Clean Coalition; Green Power Institute (“GPI”); Center for Energy Efficiency and Renewable Technologies (“CEERT”).

³ Further, in response to CalWEA’s Opening Comments, p. 4, that state: “The current studies improperly assume that the addition of 1,000 MW of solar capacity does not require any additional regulation capacity...” SCE clarifies that regulation reserve requirements were included in the study associated with “Southern California Edison’s RICA Report,” filed on April 4, 2016 (“April 4th RICA Report”), with additional regulation capacity required in cases with higher amounts of renewables.

⁴ See SCE’s Opening Comments, p. 2-3.

III.

RICA IS VALUABLE IN PROCUREMENT DECISIONS, EVEN WITHIN THE CONTEXT OF SB 350'S IRP PROCESS

CEERT and, to a certain extent, UCAN imply that the Commission should discontinue the development of a RICA given SB 350's IRP process.⁵ CEERT indicates that the Commission should instead continue to rely on an interim adder to meet statutory requirements.⁶ SCE urges the Commission to reject this proposal. CEERT suggests that a RICA is no longer relevant, as it "inform[s] marginal additions to a static grid," whereas SB 350's IRP process is intended to create optimal portfolios that address dynamic grid issues "holistically."⁷ UCAN suggests that IRP's "holistic approach" is the "preferred approach" for optimizing across resources.⁸ While IRP is intended to create optimal portfolios and consider a dynamic system, IRP is fundamentally a planning – not procurement - process. Thus, any subsequent procurement informed by the IRP would undergo a competitive process and valuation, of which RICA can be an important part and aid in differentiation between resources.

IV.

CONCLUSION

SCE respectfully requests that the Commission pursue SCE's proposed next steps for development of a RICA methodology.

⁵ See CEERT's Opening Comments, pp. 2-4, 6-7, 9-10; UCAN's Opening Comments, pp. 18-19.

⁶ See CEERT's Opening Comments, p. 9.

⁷ See Id., p. 4.

⁸ See UCAN's Opening Comments, pp. 18.

Respectfully submitted,

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/s/ Carol Schmid-Frazee

By: Carol Schmid-Frazee

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June 17, 2016

VERIFICATION

I am a Manager in the Regulatory Affairs Organization of Southern California Edison Company and am authorized to make this verification on its behalf. I have read the foregoing
REPLY COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON
JOINT ADMINISTRATIVE LAW JUDGES' RULING SEEKING INPUT ON REPORT AND
NEXT STEPS FOR DEVELOPMENT OF RENEWABLES INTEGRATION COST ADDER. I
am informed and believe that the matters stated in the foregoing pleading are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this **17th day of June, 2016**, at Rosemead, California.

/s/ Janos Kakuk

By: Janos Kakuk

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